

# DENTSU 기업 분석

## What kind of business do they have?

Dentsu operates primarily in the advertising and public relations industry, offering comprehensive marketing solutions that integrate traditional and digital media. Their business is divided into two main areas:

1. **Domestic Business:** In Japan, Dentsu provides advertising services across TV, newspapers, magazines, radio, and digital platforms. They also offer event marketing, sports marketing, and content creation.
2. **International Business:** Through Dentsu International, they provide integrated marketing services, including media planning and buying, digital and creative services, content production, and data analytics on a global scale

Their business includes:

- **Advertising:** Traditional and digital advertising services.
- **Media:** Media planning and buying across various platforms.
- **Content Creation:** Development and production of content for multiple media channels.
- **Public Relations:** Corporate communications and public relations services.
- **Consulting:** Business and marketing consulting services.
- **Digital Solutions:** Digital marketing, data analytics, and programmatic advertising.
- **Technology Integration:** Incorporation of advanced technologies like AI and machine learning into marketing strategies.

## In-Depth Analysis of Dentsu's Business Risks

Dentsu faces multiple business risks that can significantly impact its operations and financial performance. These risks can be categorized based on market situation, global economy, technological changes, compliance, and investments. Below is a comprehensive analysis of these risks and how Dentsu has managed them in the past.

### **Market Situation**

#### **1. Economic Fluctuations:**

- **Risk:** Dentsu's revenue is heavily dependent on advertising expenditures, which are influenced by economic conditions. Economic downturns can lead to reduced advertising budgets from clients.
- **Incident:** The COVID-19 pandemic significantly affected advertising budgets globally. Dentsu experienced fluctuations in demand as businesses reduced their marketing spends due to economic uncertainties.
- **Response:** Dentsu adapted by accelerating its digital transformation initiatives, focusing on digital marketing and e-commerce solutions to cater to changing consumer behaviors and client needs.

#### **2. Consumer Behavior Changes:**

- **Risk:** Rapid changes in consumer behavior, especially towards digital media,

can impact traditional advertising revenues.

- **Incident:** The shift towards digital media has required Dentsu to continuously innovate and invest in digital capabilities.
- **Response:** Dentsu has invested heavily in digital platforms and data analytics to provide targeted and effective marketing solutions.

## **World Economy**

### **1. Global Economic Uncertainty:**

- **Risk:** Events such as geopolitical tensions, trade wars, and economic sanctions can affect global advertising spends.
- **Incident:** The ongoing conflict in Ukraine and the resultant economic sanctions on Russia disrupted global economic stability, impacting Dentsu's operations in affected regions.
- **Response:** Dentsu reviewed its operations in Russia, leading to the sale of its Russian subsidiary to local partners, and adjusted its global strategy to mitigate risks from geopolitical events.

### **2. Inflation and Currency Fluctuations:**

- **Risk:** Rising inflation and fluctuating exchange rates can affect profitability.
- **Incident:** Inflationary pressures and currency volatility affected Dentsu's costs and revenue, particularly in regions with unstable currencies.
- **Response:** Dentsu uses hedging strategies to manage currency risks and continually monitors inflation trends to adjust pricing strategies accordingly.

## **Technological Lag**

### **1. Rapid Technological Advancements:**

- **Risk:** The fast pace of technological change in the advertising industry requires continuous investment in new technologies.
- **Incident:** The rise of programmatic advertising, AI-driven marketing, and other advanced digital tools necessitated significant investment from Dentsu to stay competitive.
- **Response:** Dentsu has established specialized units like Dentsu Digital and invested in AI and data analytics to enhance its technological capabilities and offer innovative solutions to clients.

## **Compliance**

### **1. Regulatory Changes:**

- **Risk:** Changes in regulations, especially around data privacy (e.g., GDPR) and advertising standards, pose compliance risks.
- **Incident:** Dentsu faced challenges with regulatory compliance in various markets, including issues related to data protection and antitrust laws.
- **Response:** Dentsu has strengthened its compliance frameworks, appointed Chief Compliance Officers, and implemented rigorous data protection measures to ensure adherence to global regulatory standards.

### **2. Ethical Conduct:**

- **Risk:** Unethical practices can lead to legal penalties and reputational damage.
- **Incident:** Previous incidents of overcharging clients for digital ads and bid-rigging scandals damaged Dentsu's reputation.
- **Response:** Dentsu established internal investigation committees, enhanced transparency, and implemented strict ethical guidelines to rebuild trust and ensure ethical conduct across its operations.

## Investments

### 1. Investment Risks:

- **Risk:** Investments in new technologies, acquisitions, and other strategic initiatives carry the risk of not achieving expected returns.
- **Incident:** Dentsu's acquisitions of digital marketing firms and technology companies required substantial investments with the risk of integration challenges and financial losses.
- **Response:** Dentsu conducts thorough due diligence and strategic planning for acquisitions, focusing on aligning new acquisitions with its core business and strategic objectives. The company also continuously monitors and adjusts its investment strategies to maximize returns.

### 2. Operational Integration:

- **Risk:** Integrating newly acquired companies and ensuring consistent service quality across global operations can be challenging.
- **Incident:** Integration issues have arisen with some of Dentsu's acquisitions, affecting operational efficiency and profitability.
- **Response:** Dentsu has developed robust integration processes and dedicated teams to manage the integration of new acquisitions effectively, ensuring seamless operational integration and synergy realization.

## Who are the main competitors in the industry?

Dentsu's main competitors in the advertising and marketing industry are:

1. **WPP:** A global leader in marketing communications, offering services in advertising, public relations, and media investment management.
2. **Omnicom Group:** Provides advertising, marketing, and corporate communications services.
3. **Publicis Groupe:** Offers advertising, media services, and digital business transformation.
4. **Interpublic Group (IPG):** Engages in advertising, marketing services, communications, and public relations.
5. **Hakuhodo:** Another major Japanese advertising agency, providing similar services both domestically and internationally

## Strengths and weaknesses compared to competitors

### Strengths:

1. **Strong Domestic Market Position:** Dentsu has a dominant market share in Japan, with deep local insights and a broad network.
2. **Integrated Global Network:** Through Dentsu International, they offer comprehensive

global marketing solutions, combining local expertise with global reach.

3. **Innovation and Data Analytics:** Investment in data-driven marketing solutions and digital transformation initiatives.
4. **Global Reach:** Dentsu has a strong presence in Asia, particularly Japan, and has expanded its footprint in Europe and the Americas through acquisitions like Aegis Group

**Weaknesses:**

- **Reputation Issues:** Incidents like the overcharging scandal and involvement in bid-rigging have damaged Dentsu's reputation, requiring substantial efforts to restore client trust.
- **Regulatory Challenges:** Facing significant regulatory scrutiny, especially related to data privacy and antitrust laws, can lead to legal and financial penalties.
- **Operational Complexity:** Managing a global network of agencies can lead to operational inefficiencies and integration challenges.

**The required talents for 新卒採用**

1. **Technological Proficiency:** Graduates with strong skills in data analysis, digital technologies, and IT will be highly valued. The emphasis on data and technology indicates a need for tech-savvy individuals who can contribute to digital transformation initiatives.
2. **Innovation and Creativity:** The focus on business transformation and creating value for clients through new approaches suggests that creative thinking and innovative problem-solving abilities are crucial.
3. **Marketing and Customer Experience Expertise:** Knowledge or a strong interest in marketing, branding, and customer experience (AX & CX) will be important, as these are key business areas for Dentsu.
4. **Content Creation and Entertainment:** Talents in content creation, media, and entertainment will be beneficial, given the importance of these sectors in Dentsu's strategy.
5. **Ethical Standards and Integrity:** A commitment to high ethical standards and integrity is essential. Dentsu places a strong emphasis on ethics and integrity, so candidates who demonstrate these values will be sought after.
6. **Teamwork and Collaboration:** The ability to work well in teams and collaborate effectively with others is important. Maximizing the potential of the organization's professionals indicates a collaborative work culture.
7. **Client-Oriented Mindset:** A focus on delivering value to clients and partners is critical. New graduates should be client-centric, with good communication skills and the ability to understand and meet client needs.
8. **Adaptability and Learning Agility:** The mention of continuous evolution and transformation suggests that Dentsu values graduates who are adaptable, eager to learn, and open to change.

**Noteworthy Projects Managed by Dentsu**

**1. Tokyo 2020 Olympics and Paralympics**

- **Role:** Dentsu was heavily involved in managing the marketing and promotional activities for the Tokyo 2020 Olympics and Paralympics. This included sponsorship management, event marketing, and creating extensive advertising campaigns.
- **Impact:** Despite challenges due to the COVID-19 pandemic, Dentsu's efforts in promoting the event globally were recognized as a significant achievement.
- **Source Reference:** Verified in the provided documents and widely reported in industry news .

## 2. Canon's "Come and See" Campaign

- **Role:** Dentsu created and managed Canon's "Come and See" campaign, which aimed to inspire people to capture and share their unique experiences through photography.
- **Impact:** The campaign increased Canon's market visibility and engaged a broad audience through storytelling and user-generated content.
- **Source Reference:** Mentioned in industry reports and supported by Canon's marketing case studies .

## 3. "Future Vision" Campaign for Toyota

- **Role:** Managed Toyota's "Future Vision" campaign, focusing on promoting Toyota's vision for the future of mobility, including autonomous vehicles and sustainable technologies.
- **Impact:** The campaign successfully positioned Toyota as a leader in innovative automotive technologies and sustainability, enhancing its brand perception globally.
- **Source Reference:** Confirmed in the provided documents and Toyota's marketing communications .

## 4. "KDDI au 5G" Launch Campaign

- **Role:** Developed and executed the launch campaign for KDDI's au 5G network, emphasizing the transformative impact of 5G technology on everyday life.
- **Impact:** The campaign effectively communicated the benefits of 5G technology, resulting in increased consumer interest and adoption of au 5G services.
- **Source Reference:** Detailed in Dentsu's annual reports and KDDI's promotional materials .

## 5. "Shiseido's Global Brand Revitalization"

- **Role:** Worked on the global brand revitalization of Shiseido, one of Japan's leading cosmetic brands, to enhance its appeal to a younger, international audience.
- **Impact:** The campaign revitalized Shiseido's brand image, increased global market share, and connected with younger consumers through modern and relatable branding.
- **Source Reference:** Covered in Shiseido's brand strategy reports and industry analyses .

An episode of me demonstrating the desirable qualities

Client-oriented mindset, Ethical standards and responsibility

My experience as a tutor at a cram school and numerous private tutoring experience, It taught me to take responsibility of my students to achieve their goals. I also did parental counseling to know more about the students and what their motivations for studying would be. I could also observe the discrepancies between the expectations between parents and their children which often led to conflicts and leaving the students demoralized. To solve this problem, I worked to bridge the gap of standards by envisioning moderate goals that could satisfy both of them. To assist the students, I applied various teaching methods and know-hows accumulated through out my tutoring career to effectively improve the students' performances. I also, encouraged the students to ask questions by line whenever they had questions while doing homework regardless of time.